His Honour
The Honourable
Lloyd R. Crouse, P.C.
Lieutenant-Governor
of Nova Scotia

May It Please Your Honour:

I have the honour to submit herewith a Report of the Nova Scotia Liquor Commission for the fiscal year ended March 31, 1990.

Ronald S. Russell
Minister in Charge of
Administration of the
Nova Scotia Liquor
Control Act

The Honourable R. S. Russell
Minister in Charge of
Administration of the Liquor
Control Act
6th Floor
5151 Terminal Road
Halifax, Nova Scotia

Dear Sir:

I have the honour to submit herewith the Annual Report of the Nova Scotia Liquor Commission for the period April 1, 1989 to March 31, 1990.

I appreciate the opportunity of having served as Chief Commissioner during the past fiscal year and I look forward to the continuing challenges in the year ahead.

Sincerely yours,

Peter J. MacKeigan

Mr. Peter J. MacKeigan
Chief Commissioner
Nova Scotia Liquor
Commission
P.O. Box 8720, Station "A"
Halifax, Nova Scotia
B3K 5M4

Dear Sir:

I take pleasure in submitting the 60th Annual Report of the Nova Scotia Liquor Commission covering the fiscal year ending March 31, 1990.

Sales through Commission stores for the period amounted to $341,884,129, an increase of 5.8 per cent. Profits increased 3.2 per cent, while volume decreased (0.7 per cent). Sales to licensed establishments increased 5.3 per cent, to the level of $60,859,898, or 17.8 per cent of all business.

The Nova Scotia Liquor Commission shares the cost of maintaining the RCMP services in the province in accordance with provincial legislation. This expense, which is taken from the Commission's income (profit), increased 8.6 per cent over the previous year.

In an effort to improve consumer service, a number of our existing retail shops were refurbished. New stores were opened at the Port of Wines II, Eastern Passage and Musquodoboit Harbour, along with a replacement store being built at George Street, Sydney. The Commission's Chilled Beer Program is progressing favourably with equipment being installed in 17 new stores, for a total of 52 to date.

We have also established a Point Of Sale (POS) system in 23 of our stores, with an accelerated completion date for 97 stores expected for June 1991. This automated system results in increased store efficiency thereby permitting additional customer service and operational benefits.

As an added convenience to our Christmas shoppers, three additional Holiday Shops were opened during the Christmas period throughout the province, bringing the total to six. Additionally, in the interest of increased customer convenience, store hours were extended, consumers were offered a wider selection of products, and a pilot credit card program in three stores (POW I and II, and the airport) was introduced during the year.

During the year, 23 employees retired, while 11 qualified for 25-year service awards and one qualified for a 35-year service award. The valuable contribution made by all commission employees over the past year is gratefully acknowledged.

The Liquor Commission also wishes to acknowledge the valuable assistance of all government departments, agencies, boards, and enforcement bodies that have cooperated fully with the Commission.

It has been my pleasure to serve as General Manager & Chief Executive Officer for the past year. On behalf of our staff, I wish to thank you and the Commissioners for your support and guidance.

Yours truly,

D.W. Pulsifer

91-05138/

A mission statement outlines an organization's philosophy and values. It guides the operations and underlies all day-to-day decisions. It helps an organization focus on who it is, where it is going, and its role. It gives management and employees a common vision of the future.

"The Mission Statement and Guiding Principles provide a focus so all staff will understand where we're going and how we intend to behave."

Mission Statement

The Nova Scotia Liquor Commission regulates the sale of liquor products under the authority of the Liquor Control Act.

The Nova Scotia Liquor Commission shall strive to:

- operate in a socially responsible manner
- provide responsive and progressive consumer service with a variety of quality controlled products in modern facilities
- generate revenue as a retailer through efficient financial and operating practices
- provide its employees with progressive management, equality of opportunity and career development.

The management and staff of the Nova Scotia Liquor Commission are dedicated to the principles of this mission statement.

A VISION OF YESTERDAY AND TODAY

During the Nova Scotia Liquor Commission's diamond jubilee, it might be interesting to look back and ponder what the first Commissioners would think of the present Liquor Commission and its progressions over the years.

During the 1920s, legal access to liquor was restricted to doctors, druggists, and clergymen (who used sacramental wine for church services). In 1930, when prohibition was lifted in Nova Scotia, the Commission was formed to regulate the purchase and sale of liquor to the general public. Over the years, the public has increased its acceptance and expectations and the Commission has expanded the scope of its operations and responsibilities.

The first four government-controlled stores opened August 18, 1930. By the end of the month, there were 21 stores across the province. As well as selling liquor, the Commission began bottling rum, imported in bulk from the Caribbean, and then distributed it to its retail outlets. Bottling was part of the Commission's mandate until the late 1950s.

During the 1960s, customer service began to play a more important role in the Commission's work. In 1969, three stores in Halifax, Truro, and Sydney allowed customers to purchase their products by self-service. In 1990, the Commission operates 97 stores, of which all except four are self-service.

The specialty store, opened in the 1970s to test the future market potential of certain brands, was another improvement in customer service. In 1980, there were specialty sections in nine liquor stores throughout the province. The Commission listed 1,024 brands of wine, spirits, and beer that year.

In 1983, a Port of Wine store, specializing in high quality Canadian and imported wine, spirits, and liqueurs that were not carried in regular stores, was opened in Halifax. Now, there are two such stores. Their expert employees offer advice on which wines best enhance which meals and which vintages are best for particular wines. They trade information with connoisseurs, which they are then able to pass on to novice consumers. Today, the Commission lists 1,686 brands of wine, beer, and spirits.

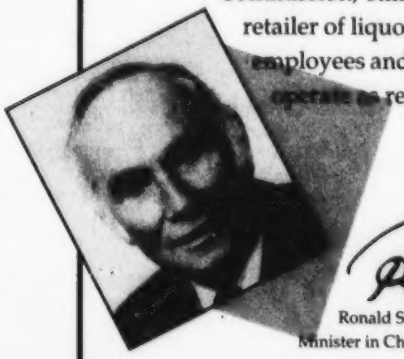
In response to customer demand during the '80s, the Commission began selling chilled beer. In 1987, it placed refrigeration equipment in two outlets, followed by 14 outlets in 1988. There are now 52 chilled beer outlets in Nova Scotia, and outlets with Port of Wine sections have chillers that chill room-temperature wine in minutes.

To cope with increasing brands and to provide better service, a new distribution centre was opened in the Bayers Lake Industrial Park in 1986, which also houses the administrative offices.

The Commission is concerned about communities and addresses this concern by sponsoring campaigns to promote responsible drinking and to reduce drinking and driving. It has had representation on the Attorney General's Law Enforcement Advisory Committee on Drinking and Driving since its inception in 1984. Working with the committee and the province's anti-drunk driving program, Commission employees are heavily involved in efforts to stop those who purchase alcohol for minors. It contributes financially to the RCMP in the province.

In 1982, the Commission became involved in recycling, accepting empty beer bottles at 62 of its 83 stores. It now collects plastic bags through the outlets for recycling. Also, the cardboard boxes in which product is delivered are collected for recycling, and some office paper at head office is recycled.

The past records a history of service to customers and to the province as a whole. The future promises an even more involved Nova Scotia Liquor Commission, still increasing its responsibilities as the province's retailer of liquor products. It will provide a better workplace for employees and better service to customers, and will continue to operate as responsibly and efficiently as possible.



Ronald S. Russell
Minister in Charge of Administration of the Nova Scotia Liquor Control Act

"Involving all employees in the renewal process is a change of management style. We want it to be totally participative. We want to empower the people of the organization."

On the eve of our seventh decade, the Nova Scotia Liquor Commission is preparing for the turn of the century as well as reflecting on the present and the past. We are building an organization-wide team so that employees, from store clerks to retail management and from the most recently hired staff member to the General Manager, can approach the future with a common purpose.

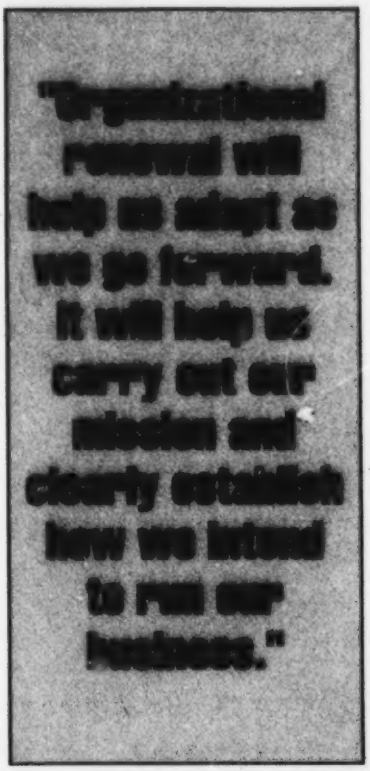
In late 1989, we began to look at ourselves from a new perspective. We realized some changes were needed to allow us to take advantage of the opportunities and to face the challenges that the future might bring. Among other things, we learned what other organizations have learned: that the business and social environments are changing, and we must change to keep pace. The Commission, like other companies, is not in business merely to create profit; it is in business to serve Nova Scotians.

In providing that service, the Commission comes into contact with the public in many ways other than through its retail stores. It hires employees, purchases, distributes, and sells local and imported products, contracts for services, licenses others

"We value all those who have an interest in the Nova Scotia Liquor Commission. We want that feeling to be part of our dealings with them. Employee concerns, government expectations, the environment, the increasing sophistication of our customers and suppliers – all these elements are changing very quickly."

to sell its products, buys land, constructs buildings ... The list is endless.

Addressing change is a complex process, requiring vision and planning. Our first step has been to create a Mission Statement that defines our mandate and reflects our major goals: social responsibility, excellent customer service, revenue generation, and sound employee management.



A Mission Statement helps an organization focus on who it is, where it is going, and its role. It gives management and employees a common vision of the future, a road to travel together.

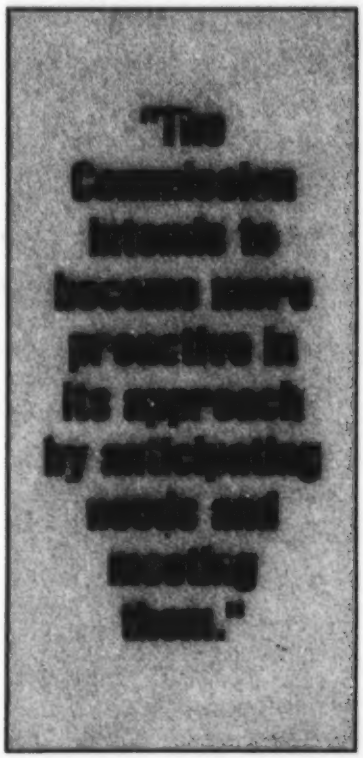
New operating values, or Guiding Principles, have been drafted to support our Mission Statement. They state that we value our customers, our employees, our suppliers, our owners, our public, and our environment. The process of fine tuning those guidelines will take several months to give every employee an opportunity to contribute. We're pleased with the level of employee participation and commitment.

The Mission Statement and Guiding Principles will guide our strategic planning for human, physical, and financial resources, customer service, product management, communications, and the environment.

The second step in preparing for our future has included restructuring our operations along functional lines and establishing accountability management. The new structure comprises three operating groups: Purchasing and Distribution, Retail Services, and

"More people working together will do a better job of redefining the Commission. Because we will get more specific information, our decisions will be more related to reality."

Corporate Services. Each group is headed by an Executive Director who reports to the General Manager and Chief Executive Officer. The long range and strategic plans we are now developing will ensure that programs and practices support the Mission Statement.



The reorganization and organizational renewal process will ensure the Commission's operational efficiency and redirect the focus of the organization.

The Commission will also become more proactive in its approach. It has, like many other companies, traditionally reacted to problems. Working under our Guiding Principles, we will try to anticipate customer, public, and employee needs and to consider those needs in planning.

The Mission Statement and Guiding Principles will give us a firm basis from which to work as we strive to make the organization the best it can be. We want to communicate more effectively with each other, with our customers and public, with our suppliers, and with our owners.

We want to address the concerns of the people we value. Our commitment to this goal and to the others outlined in our Mission Statement will keep us moving successfully through the next decade and into the next century.

The Nova Scotia Liquor Commission Executive

Honourable
Ronald S. Russell
Minister in Charge of
Administration of the
Liquor Control Act

Peter J. MacKeigan
Chief Commissioner

A.A. MacIsaac
Commissioner

H. D. Josey
Commissioner

Karen Campbell-Stevens
Secretary - Commission

D.W. Pulsifer
General Manager &
Chief Executive
Officer

Kathleen L. Pyne
Admin. Secretary
General Manager
& C.E.O.

Kathryn A. Smith
Secretary - General
Manager/C.E.O.

A.W. Strickland
Director -
Personnel

L.A. Weagle
Director-
Finance

B.E. Rogers
Director -
Property &
Development

G.H. Proctor
Director - Store
Administration

C.L. Craig
Director -
Advisory Services

C.B. Collins
Director - Stock
Administration

W.R. Bailly
Director - Consumer
Relations

Source of Gross Liquor Revenue

Dollars to the nearest 000s (Includes Producer Sales)

	$	%
Spirits	$130,958.3	38.3%
Wine	$31,380.4	9.2%
Beer	$173,636.3	50.8%
Coolers	$6,001.3	1.7%
Total	$341,976.3	100.0%

General/ Licensee Sales

Dollars to the nearest 000s

Spirits		
General	$116,770.7	89.2%
Licensee	$14,187.6	10.8%
Total	$130,958.3	100.0%

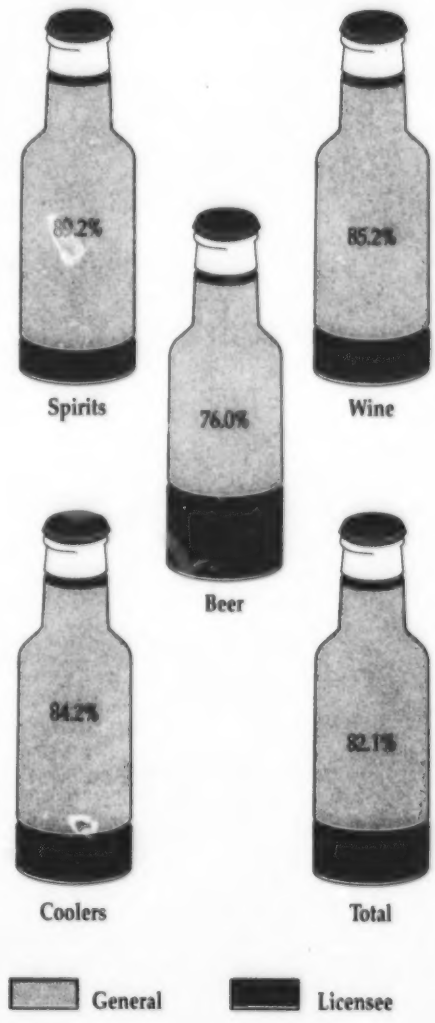
Wine		
General	$26,125.1	85.2%
Licensee	$4,529.9	14.8%
Total	$30,655.0	100.0%

Beer		
General	$130,574.0	76.0%
Licensee	$41,193.5	24.0%
Total	$171,767.5	100.0%

Coolers		
General	$5,052.4	84.2%
Licensee	$948.9	15.8%
Total	$6,001.3	100.0%

Total		
General	$278,522.2	82.1%
Licensee	$60,859.9	17.9%
Total	$339,382.1	100.0%

Producer	$2,594.2
Total Sales	$341,976.3



Canadian and Imported Sales

Source of Gross Liquor Revenue
Dollars to the nearest 000s

Spirits	$	%
Canadian	$113,343.2	86.5%
Imported	$17,615.1	13.5%
Total	$130,958.3	100.0%

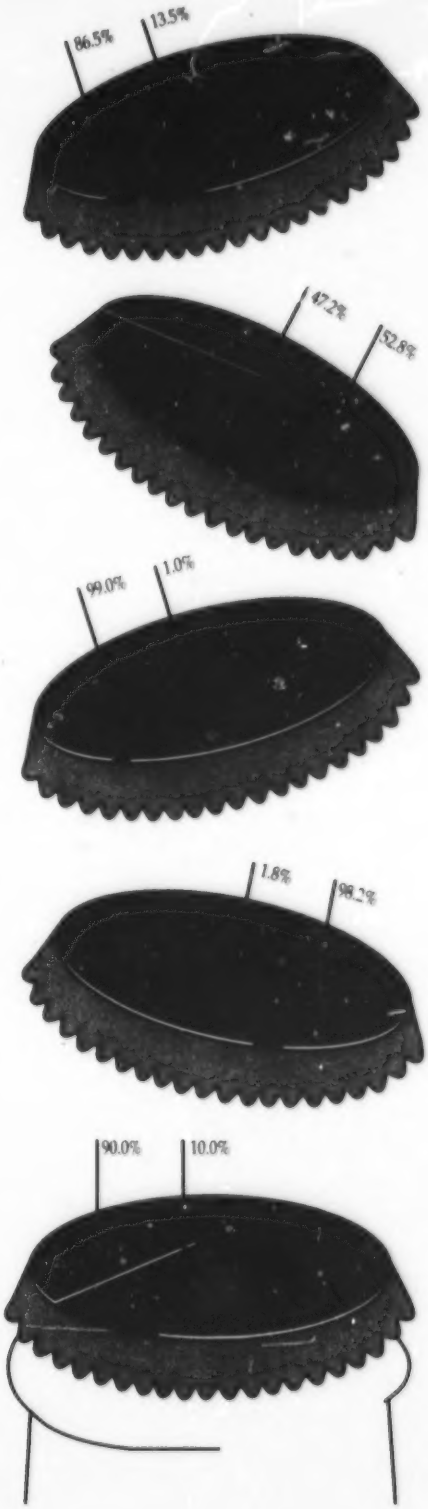
Wine		
Canadian	$16,201.0	52.8%
Imported	$14,454.0	47.2%
Total	$30,655.0	100.0%

Beer		
Canadian	$170,132.1	99.0%
Imported	$1,635.4	1.0%
Total	$171,767.5	100.0%

Coolers		
Canadian	$5,894.8	98.2%
Imported	$106.5	1.8%
Total	$6,001.3	100.0%

Total		
Canadian	$305,571.1	90.0%
Imported	$33,811.0	10.0%
Total	$339,382.1	100.0%

Producer	$2,594.2
Total Sales	$341,976.3



Distribution of Liquor Revenue Dollars

Two Year Comparison
Dollars to the nearest 000s

	1990	
	$	%
Cost of Sales	$184,470.7	54.0
Cost of Store Operations	$29,076.5	8.5
RCMP Expense	$31,553.1	9.2
Administrative/Net Other Expenses	$13,434.9	3.9
Total Profits	$83,349.0	24.4

	1989	
	$	%
Cost of Sales	$174,590.9	54.0
Cost of Store Operations	$26,408.1	8.2
RCMP Expense	$29,048.6	9.0
Administrative/Net Other Expenses	$12,279.1	3.8
Total Profits	$80,758.8	25.0

Five Year Sales Comparison

Dollars to the nearest 000s (Includes Producer Sales)

By Class of Sales

Year	Spirits	Wine	Beer	Coolers	Total
89-90	$130,958.3	$31,380.4	$173,636.3	$6,001.3	**$341,976.3**
88-89	$126,524.7	$30,725.5	$159,802.6	$6,234.1	**$323,286.9**
87-88	$123,818.4	$31,416.4	$150,835.7	$5,335.4	**$311,405.9**
86-87	$121,691.1	$31,268.2	$141,256.9	$4,185.8	**$298,402.0**
85-86	$118,604.4	$30,610.2	$137,186.9	$0.0	**$286,401.5**

Canadian vs. Imported

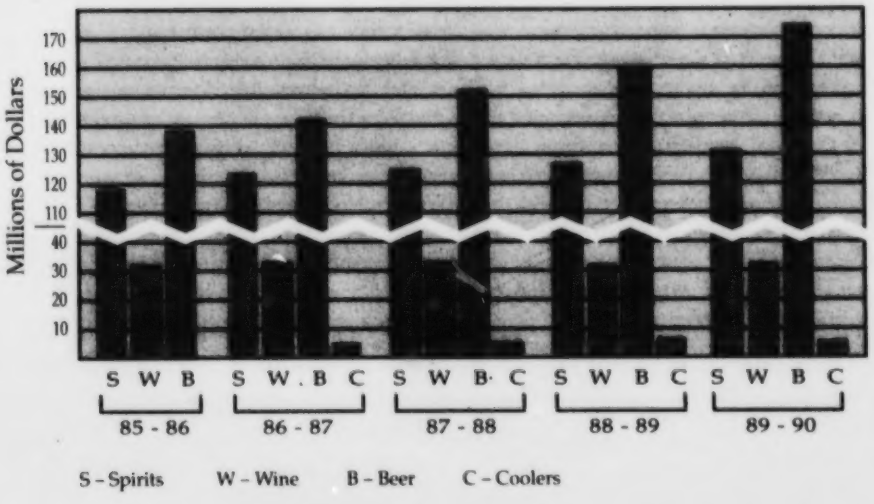
	Year	Spirits	Wine	Beer	Coolers	Total
Canadian	89-90	$113,343.2	$16,201.0	$170,132.1	$5,894.8	**$305,571.1**
Imported		$17,615.1	$14,454.0	$1,635.4	$106.5	**$33,811.0**
Canadian	88-89	$110,197.6	$17,529.4	$158,404.8	$6,133.4	**$292,265.2**
Imported		$16,327.1	$13,196.1	$1,397.8	$100.7	**$31,021.7**
Canadian	87-88	$108,775.9	$17,896.1	$148,137.5	$5,224.3	**$280,033.8**
Imported		$15,042.5	$13,520.2	$2,698.2	$111.2	**$31,372.1**
Canadian	86-87	$107,731.8	$18,591.7	$139,944.6	$4,185.8	**$270,453.9**
Imported		$13,959.3	$12,676.5	$1,312.3	$0.0	**$27,948.1**
Canadian	85-86	$105,254.9	$17,127.8	$136,051.2	$0.0	**$258,433.9**
Imported		$13,349.5	13,482.4	$1,135.7	$0.0	**$27,967.6**

Licensee Sales

Year	Spirits	Wine	Beer	Coolers	Total
89-90	$14,187.6	$4,529.9	$41,193.5	$948.9	**$60,859.9**
88-89	$13,668.1	$4,347.8	$38,782.8	$896.5	**$57,695.2**
87-88	$13,047.2	$4,336.7	$36,849.7	$769.3	**$55,002.9**
86-87	$13,149.8	$4,723.7	$35,759.0	$657.1	**$54,289.6**
85-86	$12,554.7	$4,803.9	$34,027.7	$0.0	**$51,386.3**

Five Year Sales Comparison

Dollars to the nearest 000s



Five Year Sales By Category
In Hectolitres

Category	1990 Hectolitres	% Category	% Total	1989 Hectolitres	% Category	% Total	1988 Hectolitres	% Category	% Total	1987 Hectolitres	% Category	% Total	1986 Hectolitres	% Category	% Total
Beer	615,673.2	100%	84.7	617,569.8	100%	84.4%	622,981.6	100%	84.4%	622,143.3	100%	84.1%	643,002.5	100%	84.9%
Spirits															
Brandy	630.6	1.1%	0.1%	647.2	1.1%	0.1%	666.3	1.2%	0.1%	715.2	1.2%	0.1%	902.2	1.5%	0.1%
Vodka	7,271.3	13.0%	1.0%	7,114.2	12.5%	1.0%	6,985.0	12.1%	0.9%	6,848.5	11.7%	0.9%	7,103.2	11.7%	0.9%
Gin	1,659.1	3.0%	0.2%	1,733.2	3.0%	0.2%	1,871.9	3.3%	0.3%	2,016.4	3.5%	0.3%	2,237.9	3.7%	0.3%
Rum	28,661.5	51.3%	3.9%	28,890.1	50.6%	3.9%	28,677.7	49.7%	3.9%	28,910.0	49.5%	3.9%	29,150.9	47.9%	3.8%
Whiskey	14,201.0	25.4%	2.0%	14,975.4	26.2%	2.0%	15,522.8	27.0%	2.1%	16,484.3	28.2%	2.2%	18,166.5	29.9%	2.4%
Liqueurs	3,453.2	6.2%	0.5%	3,742.1	6.6%	0.5%	3,832.6	6.7%	0.5%	3,430.5	5.9%	0.5%	3,277.9	5.4%	0.4%
Total	55,876.7	100.0%	7.7%	57,102.2	100.0%	7.8%	57,556.3	100.0%	7.8%	58,404.9	100.0%	7.9%	60,838.6	100.0%	8.0%
Wines															
Vermouth	302.7	0.7%	0.0%	316.3	0.7%	0.0%	328.9	0.7%	0.0%	379.1	0.8%	0.1%	408.7	0.8%	0.1%
Aperitif	1,281.6	3.1%	0.2%	1,218.2	2.9%	0.2%	1,193.1	2.6%	0.2%	837.2	1.7%	0.1%	647.1	1.2%	0.1%
Fruit	242.4	0.6%	0.0%	339.1	0.8%	0.0%	392.9	0.9%	0.1%	474.4	1.0%	0.1%	611.4	1.1%	0.1%
Cider	78.6	0.2%	0.0%	89.9	0.2%	0.0%	127.1	0.3%	0.0%	176.0	0.4%	0.0%	269.6	0.5%	0.0%
Communion	6.3	0.0%	0.0%	6.8	0.0%	0.0%	7.9	0.0%	0.0%	6.2	0.0%	0.0%	7.4	0.0%	0.0%
Kosher	15.5	0.0%	0.0%	14.3	0.0%	0.0%	21.0	0.0%	0.0%	37.6	0.1%	0.0%	39.4	0.1%	0.0%
Sherry	5,368.6	12.8%	0.7%	5,607.4	13.2%	0.8%	6,239.2	13.8%	0.8%	7,058.8	14.5%	1.0%	7,795.6	14.5%	1.0%
Madeira	0.0	0.0%	0.0%	18.8	0.0%	0.0%	3.8	0.0%	0.0%	2.1	0.0%	0.0%	2.1	0.0%	0.0%
Port	1,720.6	4.1%	0.2%	1,878.1	4.4%	0.3%	2,308.7	5.1%	0.3%	2,623.5	5.4%	0.4%	2,722.4	5.1%	0.4%
Table White	22,147.8	52.7%	3.0%	21,677.6	51.0%	3.0%	22,408.8	49.5%	3.0%	23,352.3	47.9%	3.2%	25,413.4	47.4%	3.4%
Table Red	5,031.8	12.0%	0.7%	5,086.7	12.0%	0.7%	5,184.8	11.4%	0.7%	5,543.1	11.4%	0.7%	6,105.4	11.4%	0.8%
Table Rosé	718.6	1.7%	0.1%	657.4	1.5%	0.1%	796.4	1.8%	0.1%	921.3	1.9%	0.1%	911.8	1.7%	0.1%
Sparkling	3,907.1	9.3%	0.5%	4,390.1	10.3%	0.6%	4,945.4	10.9%	0.7%	5,786.2	11.9%	0.8%	6,989.5	13.0%	0.9%
Champagne	1,197.6	2.9%	0.2%	1,214.6	2.9%	0.2%	1,369.2	3.0%	0.2%	1,527.9	3.1%	0.2%	1,696.6	3.2%	0.2%
Total Wine	42,019.2	100.0%	5.8%	42,515.3	100.0%	5.8%	45,327.2	100.0%	6.1%	48,725.7	100.0%	6.6%	53,620.4	100.0%	7.1%
Coolers															
Canadian	12,691.6	98.1%	1.7%	14,203.6	98.4%	1.9%	12,414.2	98.0%	1.7%	10,611.7	100%	1.4%	0.3	100%	0.0%
Imported	245.3	1.9%	0.0%	236.6	1.6%	0.0%	256.3	2.0%	0.0%						
Total Coolers	12,936.9	100.0%	1.8%	14,440.2	100.0%	2.0%	12,670.5	100.0%	1.7%						
Grand Total	726,506.0		100% 100.0%	731,627.5		100% 100.0%	738,535.6		100% 100.0%	739,885.6		100% 100.0%	757,461.8		100% 100.0%

Auditors' Report

To the Honourable Ronald S. Russell
Minister in Charge of Administration
Liquor Control Act
Province of Nova Scotia
Halifax, Nova Scotia

We have examined the balance sheet of the Nova Scotia Liquor Commission as at March 31, 1990 and the statements of income and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

June 8, 1990

Balance Sheet

		Year Ended March 31 1990	1989
Assets	Current Assets		
	Cash	$3,710,258	$1,357,901
	Accounts receivable	975,937	891,263
	Inventories of stock in warehouse and stores	14,886,450	14,130,485
	Prepaid expenses	582,914	513,702
		20,155,559	16,893,351
	Property and Equipment		
	Furniture, fixtures and portable equipment	6,184,162	5,275,214
	Other equipment	3,610,995	3,273,126
	Land and buildings	10,866,062	10,540,641
	Capital and leasehold improvements	14,588,618	13,446,985
		35,249,837	32,535,966
	Less accumulated depreciation and amortization	21,323,852	20,844,547
		13,925,985	11,691,419
	Assets under Capital Leases	10,830,848	10,830,848
	Less accumulated amortization	2,183,446	1,633,266
		8,647,402	9,197,582
		$42,728,946	$37,782,352
Liabilities	Current Liabilities		
	Accounts payable	$6,208,080	$6,772,669
	Current obligations under capital leases (note 1)	115,661	101,307
		6,323,741	6,873,976
	Long-term Liability		
	Obligations under capital leases (note 1)	10,429,513	10,540,635
	Due to Minister of Finance		
	Balance at beginning of year	20,367,741	19,719,435
	Remittances	20,367,741	19,719,435
	Current year		
	Net income	83,349,033	80,758,787
	Remittances	57,373,341	60,391,046
	Balance at end of year	25,975,692	20,367,741
		$42,728,946	$37,782,352
	Operating leases (note 5)		

Statement of Income

	Year Ended March 31			
	1990	% of sales	1989	% of sales
Sales	$341,884,129	100.0	$323,085,449	100.0
Cost of goods sold	184,470,669	54.0	174,590,947	54.0
	157,413,460	46.0	148,494,502	46.0
Stores' operating expenses (note 2)	29,076,470	8.5	26,408,057	8.2
Income, store operations	128,336,990	37.5	122,086,445	37.8
Administrative expenses (note 2)	15,611,262	4.6	14,094,630	4.4
Other revenue (note 3)	(2,678,035)	(0.8)	(2,291,778)	(0.7)
Other expenses	501,640	0.1	476,235	0.1
	13,434,867	3.9	12,279,087	3.8
Income before the undernoted	114,902,123	33.6	109,807,358	34.0
Maintenance of Royal Canadian Mounted Police (note 4)	31,553,090	9.2	29,048,571	9.0
Net Income	$83,349,033	24.4	$80,758,787	25.0

Statement of Changes in Financial Position

	Year ended March 31	
	1990	1989
Cash Provided by (Used for):		
Operations		
Net income	$83,349,033	$80,758,787
Depreciation and amortization not involving cash	2,197,493	1,852,582
Change in non-cash operating working capital	(1,474,440)	194,997
	84,072,086	82,806,366
Financing		
Payments for obligations under capital leases	(96,768)	(93,281)
Investments		
Additions to property and equipment (net)	(3,881,879)	(3,753,470)
Other		
Remittances to Minister of Finance	(77,741,082)	(80,110,481)
Increase (decrease) in cash	2,352,357	(1,150,866)
Cash at beginning of year	1,357,901	2,508,767
Cash at End of Year	$3,710,258	$1,357,901

Notes to Financial Statements

Year ended March 31, 1990

General

The Commission is incorporated under the laws of the Province of Nova Scotia and administers the Liquor Control Act, Chapter 169 from the *Revised Statutes of Nova Scotia*, 1967.

Summary of Significant Accounting Policies

Inventories

Inventories of stock in warehouse and stores are valued at the lower of cost and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Furniture, fixtures, portable equipment, other equipment and capital and leasehold improvements	10%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are written off due to the retention of proceeds by the Province of Nova Scotia.

Assets under Capital Leases

Assets under capital leases are amortized over their estimated useful lives using the straight-line method.

1. Obligations under Capital Leases

The Commission has obligations under capital leases, which mature in 1993 and 2011. The obligations represent the total present value of future minimum lease payments discounted at the rates implicit in the leases which are 11.9% and 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligations under capital leases of March 31, 1990:

1991	$1,580,021
1992	1,580,021
1993	1,542,542
1994	1,536,446
1995	1,536,446
1996-2011	25,735,464
Total minimum lease payments	33,510,940
Less amount representing interest	22,965,766
Balance of obligation	10,545,174
Less amount included in current liabilities	115,661
	$10,429,513

2. Expenses

Amortization of leasehold improvements and depreciation expense is recorded in expenses as follows:

	1990	1989
Stores' operating expenses	$1,331,372	$1,073,948
Administrative expenses	315,941	228,454
	$1,647,313	$1,302,402
Administrative expenses also include the following:		
Interest on obligations under capital leases	$1,475,990	$1,494,002
Amortization of capital leases	$550,180	$550,180

3. Other Revenue

Proceeds from the sale of fixed assets are normally retained by the Department of Government Services, Province of Nova Scotia. During the fiscal year ended March 31, 1990, proceeds amounting to $500,000 were received from the sale of real estate. Approval has been received by the Commission to retain the funds from this specific transaction and, accordingly, a gain on disposal in the amount of $464,432 has been reflected as other revenue.

4. Maintenance of Royal Canadian Mounted Police

Payments are made for the maintenance of the Royal Canadian Mounted Police in accordance with the Liquor Control Act.

5. Operating Leases

The Commission leases buildings, premises and equipment under operating leases which expire at various dates between 1990 and 2008. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31,1990:

1991	$1,858,127
1992	1,714,701
1993	1,668,321
1994	1,485,542
1995	1,404,702
1996 to 2008	9,506,670
Total minimum payments required	$17,638,063

Sale of Alcoholic Beverages by Volume Per Capita

Litres per capita – 15 years and over – 5 year comparison

	1984	1985	1986	1987	1988
Spirits					
Newfoundland	9.4	8.7	9.8	8.7	8.9
Prince Edward Island	9.1	8.8	8.4	8.0	7.8
Nova Scotia	9.8	9.1	8.8	8.9	8.2
New Brunswick	6.8	6.4	6.3	6.1	5.8
Québec	5.2	5.0	4.6	4.1	4.2
Ontario	9.4	9.1	8.7	8.7	8.9
Manitoba	10.2	9.9	10.1	9.0	9.2
Saskatchewan	11.1	10.2	10.2	9.8	9.7
Alberta	13.9	12.8	12.7	11.8	11.0
British Columbia	11.4	10.8	10.3	10.2	9.5
Yukon	17.2	16.5	15.2	15.4	16.3
Northwest Territories	16.0	15.9	15.4	13.9	14.2
Total	9.0	8.5	8.4	8.0	7.9

	1984	1985	1986	1987	1988
Wines					
Newfoundland	3.8	3.9	4.3	4.0	4.1
Prince Edward Island	5.7	5.5	5.8	6.1	5.7
Nova Scotia	7.5	7.9	7.8	8.1	8.7
New Brunswick	5.7	5.9	5.8	5.9	6.0
Québec	12.6	13.3	14.3	13.8	14.8
Ontario	11.5	11.9	11.8	11.6	12.0
Manitoba	8.5	8.6	9.1	8.9	8.1
Saskatchewan	6.7	6.9	7.1	6.7	6.7
Alberta	12.7	12.6	13.7	12.4	11.8
British Columbia	19.6	20.9	20.6	20.6	21.1
Yukon	19.9	20.3	20.3	19.3	20.4
Northwest Territories	8.6	9.1	8.3	7.8	7.9
Total	12.0	12.5	12.9	12.5	12.8

	1984	1985	1986	1987	1988
Beer					
Newfoundland	118.0	121.4	93.1	120.9	124.9
Prince Edward Island	92.2	94.5	92.0	88.7	87.0
Nova Scotia	92.3	95.1	93.8	89.8	90.2
New Brunswick	95.5	96.0	93.2	88.1	88.4
Québec	110.4	108.3	105.6	102.5	105.4
Ontario	110.6	107.4	111.0	109.2	112.1
Manitoba	103.3	107.1	98.1	97.2	95.8
Saskatchewan	87.9	89.7	85.4	82.4	80.8
Alberta	100.8	98.7	95.9	96.3	93.8
British Columbia	101.0	101.7	97.2	100.2	98.1
Yukon	172.1	182.6	178.6	179.6	173.9
Northwest Territories	118.6	120.1	118.4	120.3	120.2
Total	106.5	105.1	106.4	102.7	104.1

	1984	1985	1986	1987	1988
All Alcoholic Beverages					
Newfoundland	131.2	134.0	107.2	133.6	137.9
Prince Edward Island	107.0	108.6	106.2	102.6	100.5
Nova Scotia	109.6	112.1	110.4	106.8	107.1
New Brunswick	108.0	108.3	105.3	100.1	100.2
Québec	128.2	126.6	124.5	120.4	124.4
Ontario	131.5	128.4	131.5	129.5	133.0
Manitoba	122.0	125.6	117.3	115.1	113.1
Saskatchewan	105.7	106.8	102.7	98.9	97.2
Alberta	127.4	124.1	122.3	120.5	116.6
British Columbia	132.0	132.8	128.1	131.0	128.7
Yukon	209.2	219.4	214.1	214.3	210.5
Northwest Territories	143.2	145.1	142.1	142.0	142.2
Total	127.5	126.1	127.7	123.2	124.8

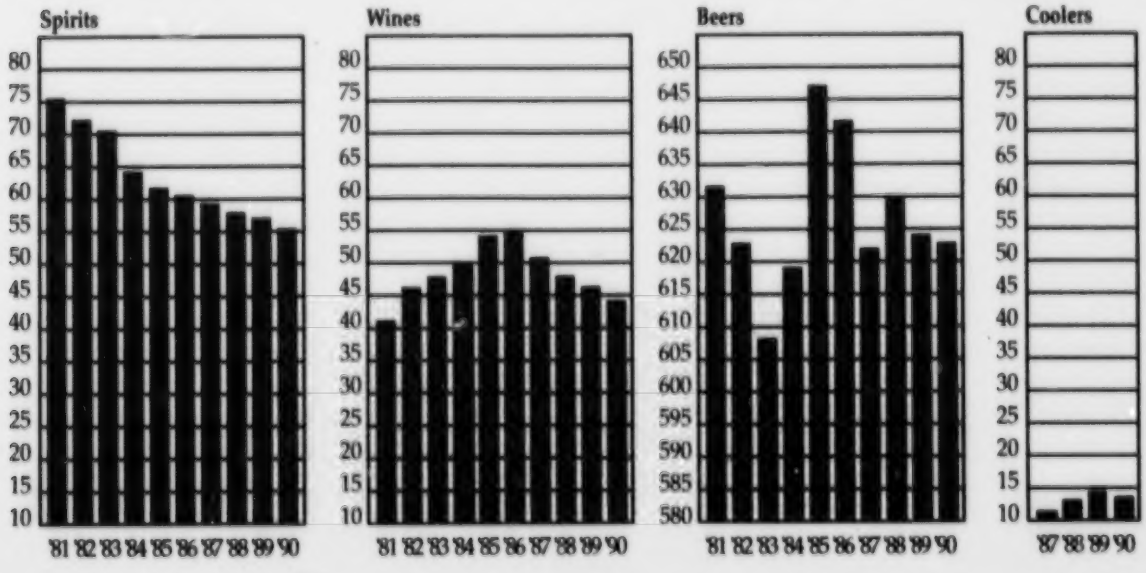
Sales in Hectolitres – 5 Years

Approximate Hectolitres (Includes Producer Outlet Sales)

	1989/90	%	1988/89	%	1987/88	%	1986/87	%	1985/86	%
Spirits										
Canadian	48,853.9		50,412.5		51,198.9		52,388.1		54,721.7	
Imported	7,022.8		6,689.7		6,357.4		6,016.8		6,116.9	
Total	55,876.7	7.6%	57,102.2	7.7%	57,556.3	7.7%	58,404.9	7.9%	60,838.6	8.0%
Wine										
Canadian	28,268.6		30,795.3		33,758.3		35,117.9		34,065.3	
Imported	16,437.3		14,825.0		14,305.4		15,217.0		19,555.4	
Total	44,705.9	6.1%	45,620.3	6.1%	48,063.7	6.4%	50,334.9	6.8%	53,620.7	7.1%
Beer										
Canadian	618,675.6		620,551.3		625,844.1		619,370.5		639,366.9	
Imported	4,458.3		4,188.7		3,935.7		3,985.0		3,635.6	
Total	623,133.9	84.5%	624,740.0	84.2%	629,779.8	84.2%	623,355.5	83.9%	643,002.5	84.9%
Coolers										
Canadian	12,691.6		14,203.6		12,414.2		10,611.7			
Imported	245.3		236.6		256.3					
Total	12,936.9	1.8%	14,440.2	1.9%	12,670.5	1.7%	10,611.7	1.4%		
Grand Total	736,653.4	100.0%	741,902.7	100.0%	748,070.3	100.0%	742,707.0	100.0%	757,461.8	100.0%

Sales in Hectolitres – 10 Years

Volume to the nearest 000s



Sales by Stores

March 31, 1990

● - Cold Beer ■ - Bottle Return ▲ - Conventional Store

Store Number & Name			Spirits	Wine	Beer	Coolers	Total
Region 1 – Halifax							
104	Agricola Street	● ■	2,987,191.79	1,153,490.85	3,875,719.71	120,262.24	$8,136,664.59
110	Bayers Road	● ■	1,993,398.81	609,266.96	1,489,474.44	85,051.19	$4,177,191.40
120	Clyde Street	● ■	2,896,815.53	1,545,264.55	3,208,823.10	151,537.41	$7,802,440.59
145	Hfx. Shopping Centre	■	2,549,113.32	920,878.10	2,557,324.61	135,223.71	$6,162,539.74
151	Hollis Street	● ■	1,202,527.91	527,222.79	761,639.27	23,729.18	$2,515,119.15
155	Port of Wines I		115,666.43	789,587.24	15,133.83	0.00	$920,387.50
160	Port of Wines II		40,385.43	235,045.38	15,667.77	0.00	$291,098.58
170	Rockingham Ridge	● ■	2,619,974.17	926,737.85	3,286,614.29	139,189.66	$6,972,515.97
180	Scotia Square	● ■	1,219,784.95	442,253.23	616,467.63	46,301.22	$2,324,807.03
185	Spryfield	● ■	1,869,300.81	384,250.46	2,766,703.07	98,423.64	$5,118,677.98
190	Strawberry Hill	■	1,903,752.41	504,969.86	2,012,577.09	65,355.03	$4,486,654.39
195	Tantallon	● ■	1,253,973.54	352,940.08	1,567,161.33	54,629.74	$3,228,704.69
199	Licensee Operation		6,858,506.95	2,934,751.10	19,117,820.79	414,593.36	$29,325,672.20
	Total		27,510,392.05	11,326,658.45	41,291,126.93	1,334,296.38	$81,462,473.81
Region 2 – Dartmouth							
201	Airport		985,160.87	281,862.16	560,918.45	13,452.13	$1,841,393.61
202	Bedford Place	■	2,874,505.61	944,199.32	2,748,467.44	140,030.57	$6,707,202.94
209	Dart. – Bridge Plaza	■	2,443,792.72	661,844.37	2,722,894.79	120,467.06	$5,948,998.94
210	Dart. – Burnside	● ■	430,919.50	77,295.24	369,163.44	10,946.60	$888,324.78
211	Dart. – Canal Street	● ■	2,173,168.88	752,700.21	2,350,698.50	96,618.48	$5,373,186.07
219	Dart. – Westphal	● ■	4,068,544.27	1,111,501.65	4,502,010.30	245,807.48	$9,927,863.70
	Sub-Total – Dartmouth Stores		9,116,425.37	2,603,341.47	9,944,767.03	473,839.62	$22,138,373.49
222	Kennetcook L.M.	● ■	333,907.53	24,062.92	560,488.29	15,076.41	$933,535.15
223	Elmsdale	■	1,201,110.27	190,181.70	1,850,409.90	64,448.12	$3,306,149.99
227	Forest Hills	● ■	3,233,514.59	1,033,275.23	3,978,603.87	208,175.32	$8,453,569.01
270	Porters Lake	● ■	1,361,976.11	208,916.66	1,644,897.02	57,445.07	$3,273,234.86
275	Sackville Town Centre	● ■	2,443,181.34	480,484.02	3,576,385.31	152,540.86	$6,652,591.53
280	Sheet Harbour	■	618,132.43	78,025.74	682,843.66	21,627.03	$1,400,628.86
285	Stewiacke	■	825,246.91	106,458.94	1,173,670.75	35,561.90	$2,140,938.50
290	Eastern Passage	● ■	252,930.16	52,394.04	308,821.10	11,026.68	$625,171.98
297	Musquodoboit L.M.	● ■	163,511.15	22,543.87	102,211.37	4,004.50	$292,270.89
	Total		23,409,602.34	6,025,746.07	27,132,484.19	1,197,228.21	$57,765,060.81

Region 3 – Eastern

303	Antigonish	● ■	3,761,408.03	566,667.26	4,114,520.39	95,566.02	$8,538,161.70
307	Arichat	● ■	761,189.56	111,512.02	788,456.64	15,059.11	$1,676,217.33
312	Canso	● ■	489,475.27	50,667.57	714,356.34	14,751.38	$1,269,250.56
317	Guysborough	■	488,443.38	91,737.58	690,038.30	21,305.55	$1,291,524.81
340	Mulgrave	● ■	376,680.24	53,132.19	546,433.26	11,246.12	$987,491.81
345	New Glasgow	● ■	3,170,863.65	596,119.50	3,895,081.73	163,751.32	$7,825,816.20
346	New Glasgow Licensee		545,919.80	35,209.94	1,483,543.81	29,070.32	$2,093,743.87
348	Pictou	● ■	1,183,258.63	237,920.01	1,479,997.42	43,221.07	$2,944,397.13
355	Port Hawkesbury	● ■	2,171,393.70	333,515.52	2,418,034.08	57,335.13	$4,980,278.43
360	Port Hood	● ■	643,176.05	76,299.03	655,618.25	11,182.73	$1,386,276.06
370	Sherbrooke	■	376,663.80	50,207.88	417,545.41	14,044.81	$858,461.90
375	Stellarton	■	895,536.91	137,750.88	998,208.10	27,735.05	$2,059,230.94
380	St. Peters	■	660,427.49	103,951.41	1,051,688.84	19,799.25	$1,835,866.99
387	Trenton		535,029.27	69,991.75	645,005.07	15,987.93	$1,266,014.02
397	Westville	● ■	633,855.17	90,113.31	965,203.38	23,869.57	$1,713,041.43
	Total		16,693,320.95	2,604,795.85	20,863,731.02	563,925.36	$40,725,773.18

Region 4 – Cape Breton

408	Baddeck	● ■	1,012,655.94	206,619.31	1,202,886.67	35,092.20	$2,457,254.12
413	Cheticamp	■	713,423.75	98,648.18	1,101,997.00	20,951.37	$1,935,020.30
418	Dominion	■	509,754.66	66,554.43	743,387.95	17,657.63	$1,337,354.67
426	Glace Bay	● ■	2,712,342.10	344,976.82	3,714,654.35	114,408.48	$6,886,381.75
427	Glace Bay Licensee		377,462.60	11,985.29	1,299,544.82	18,668.47	$1,707,661.18
431	Ingonish	● ■	697,008.54	127,562.89	853,987.15	29,600.55	$1,708,159.13
436	Inverness	■	893,729.62	94,070.11	1,040,959.60	26,565.21	$2,055,324.54
441	Louisbourg	■	507,262.13	50,388.11	619,143.05	14,711.52	$1,191,504.81
445	New Waterford	● ■	1,271,474.15	169,509.46	2,599,632.73	52,449.13	$4,093,065.47
451	North Sydney	■	2,496,151.56	279,539.14	2,958,030.60	102,841.47	$5,836,562.77
473	Sydney – Ashby	■	1,581,427.47	195,426.16	1,260,216.50	44,105.51	$3,081,175.64
474	Sydney – Licensee		1,340,899.92	229,902.60	3,749,065.72	93,388.08	$5,413,256.32
479	Sydney	■	3,561,329.14	626,647.09	3,496,037.17	124,783.52	$7,808,796.92
483	Sydney – Whitney Pier	▲	599,118.88	51,688.55	722,627.32	13,459.14	$1,386,893.89
	Sub-Total – Sydney Stores		7,082,775.41	1,103,664.40	9,227,946.71	275,736.25	$17,690,122.77
490	Sydney Mines	● ■	1,195,275.58	129,473.93	2,250,260.67	53,831.76	$3,628,841.94
496	Sydney River	● ■	3,371,889.29	639,456.48	3,223,870.36	117,436.97	$7,352,653.10
	Total		22,841,205.33	3,322,448.55	30,836,301.66	879,951.01	$57,879,906.55

Region 5 – Northern

502	Amherst	■	1,464,864.74	295,424.52	2,656,541.46	81,682.43	$4,498,513.15
503	Amherst L.M.	●	425,462.94	85,910.59	515,796.65	27,053.82	$1,054,224.00
510	Bible Hill	■	1,015,860.05	154,174.34	1,186,712.23	40,794.10	$2,397,540.72
522	Joggins	● ■ ▲	120,475.53	13,116.51	271,056.83	7,571.44	$412,220.31
538	Oxford	■	413,664.37	52,507.82	534,775.58	20,378.99	$1,021,326.76
543	Parrsboro	● ■	497,254.71	74,217.86	782,429.79	26,795.56	$1,380.697.92
553	Pugwash	■ ▲	390,084.42	40,378.12	554,571.94	16,151.02	$1,001,185.50
558	River John	■ ▲	222,386.44	32,379.22	348,775.20	6,978.81	$610,519.67
567	Springhill	■	513,779.05	82,284.25	1,053,979.84	28,488.25	$1,678,531.39
582	Tatamagouche	● ■	454,980.34	78,146.48	743,135.94	25,341.84	$1,301,604.60
592	Truro	● ■	3,490,985.74	646,894.19	3,844,058.48	171,984.70	$8,153,923.11
593	Truro Licensee		595,422.94	81,152.19	1,506,770.54	40,315.82	$2,223,661.49
594	Truro Liquor Mart	●	815,578.86	122,951.24	1,016,703.62	50,819.48	$2,006,053.20
	Total		10,420,800.13	1,759,537.33	15,015,308.10	544,356.26	$27,740,001.82

Region 6 – Valley

602	Annapolis	● ■	902,599.84	222,817.17	1,240,508.59	75,339.37	$2,441,264.97
611	Berwick	■	915,872.94	153,115.27	1,327,756.76	52,362.49	$2,449,107.46
615	Bridgetown	■	505,405.68	87,835.70	541,767.26	21,260.06	$1,156,268.70
620	Digby	● ■	1,744,771.56	318,480.84	2,050,781.32	79,496.92	$4,193,530.64
630	Hantsport	■	339,967.76	56,693.66	375,485.41	13,949.04	$786,095.87
646	Kentville	● ■	1,739,166.74	422,741.99	2,929,778.69	130,927.36	$5,222,614.78
648	Kingston	■	1,329,957.10	358,129.67	2,124,103.83	107,555.62	$3,919,746.22
665	Meteghan	● ■	919,609.56	141,746.33	1,460,226.39	40,608.75	$2,562,191.03
670	Middleton	● ■	751,050.74	150,495.04	1,029,707.76	39,484.60	$1,970,738.14
674	New Minas	● ■	1,804,741.86	434,545.88	2,401,070.65	146,172.70	$4,786,531.09
692	Weymouth	■	485,500.87	72,157.25	712,889.56	19,330.80	$1,289,878.48
695	Windsor	● ■	1,777,342.89	252,915.87	2,335,236.73	81,423.24	$4,446,918.73
698	Wolfville	● ■	700,933.98	202,264.76	938,295.65	38,153.50	$1,879,647.89
	Total		13,916,921.52	2,873,939.43	19,467,608.60	846,064.45	$37,104,534.00

Region 7 – South Shore

705	Bridgewater	■	3,098,403.45	603,528.32	3,627,978.21	133,837.01	$7,463,746.99
706	Bridgewater L.M.	●	459,055.99	88,292.70	396,998.47	24,951.42	$969,298.58
710	Caledonia	● ■	305,850.36	33 [illegible]9.71	358,977.00	14,888.09	$712,865.16
715	Chester	● ■	1,049,336.30	272,618.96	1,183,293.52	37,462.04	$2,542,710.82
725	Hubbards	■	613,179.48	136,157.54	723,440.76	26,004.50	$1,498,782.28
755	Liverpool	● ■	1,853,604.40	270,501.91	1,717,640.26	54,140.61	$3,895,887.18
760	Lockeport	■ ▲	294,450.03	37,702.51	255,081.08	10,058.36	$597,291.98
765	Lunenburg	■	1,515,355.34	225,357.63	1,051,586.53	47,846.52	$2,840,146.02
770	Mahone Bay	● ■	833,853.29	209,501.93	1,011,136.04	34,401.60	$2,088,892.86
775	New Germany	● ■	361,379.92	49,677.56	578,727.14	15,549.18	$1,005,333.80
785	Shelburne	● ■	1,621,203.19	188,348.22	1,726,572.66	66,724.75	$3,602,848.82
790	West Pubnico	■	762,405.97	69,498.96	671,484.00	25,003.83	$1,528,392.76
798	Yarmouth	● ■	3,397,977.76	557,542.71	3,858,090.99	144,611.31	$7,958,222.77
	Total		16,166,055.48	2,741,878.66	17,161,006.66	635,479.22	$36,704,420.02
	Total Store Sales		130,958,297.80	30,655,004.34	171,767,567.16	6,001,300.89	$339,382,170.19
Producer Sales				725,377.14	1,868,753.97		$2,594,131.11
Grand Total Sales			130,958,297.80	31,380,381.48	173,636,321.13	6,001,300.89	$341,976,301.30

Distribution of Stores

Halifax/Dartmouth Area

Sydney and Area